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Tentative Syllabus

Bookkeeping 1
and
Bookkeeping 2

Bureau of Business and Distributive Education
New York State Education Department

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THE UNIVERSITY OF THE STATE OF NEW YORK PRESS
1954

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THE UNIVERSITY OF THE STATE OF NEW YORK

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PREFACE

The initial outline for this tentative syllabus was developed in Albany during the summer of 1950 by a committee of experienced teachers of bookkeeping working with the staff of the Bureau of Business and Distributive Education.

The new suggested outline was used on an experimental basis during the 1950–51 school year by 16 teachers in 14 schools. Each teacher submitted a detailed report covering his use of the syllabus. In order that these teachers might feel free to experiment with the materials, arrangements were made so that pupils in the experimental class were not required to take the Regents examination in second year bookkeeping.

The Bureau of Examinations and Testing cooperated with the Bureau of Business and Distributive Education in preparing a survey test to evaluate the first year outline. This test was administered in June 1951 in the experimental schools and in an equal number of control schools.

The data furnished by the experimenting teachers and the results of the survey test were used as guides in the summer of 1951 in revising the tentative outline. This revision was prepared by the same committee which prepared the original materials during the preceding summer.

Nine additional schools used the revised outline along with the original 14 experimental schools during the 1951–52 school year. A survey test was developed and used in the experimental and control schools to evaluate the second year outline in June 1952. More than 1000 pupils and 48 teachers participated in the evaluative testing program over a two-year period.

Supervisory visits were made to each of the experimental schools in order to ascertain the reactions of the teachers. This information supplemented the detailed written report made by each teacher at the end of the period of experimentation. Many helpful suggestions regarding the topics in the outline were made by business men in the communities in which the syllabus was being tried out.

During the summer of 1952 the outline was again revised by the original committee in the light of the reports of the experimenting teachers and the results of the second year survey test. Many practical teaching suggestions received from classroom teachers and department chairmen were incorporated into the final form of the outline.

The syllabus committee and the staff of the Bureau of Business and Distributive Education appreciate the splendid cooperation received from teachers of bookkeeping and the officials of schools in which the experimental materials were tried out. The New York State Education Department is grateful to the members of the syllabus committee who gave so freely of their time during school and vacation periods to the development of the new bookkeeping syllabus.

The members of the syllabus committee were:

Milton C. Olson
New York State College for Teachers
Albany

Mildred V. Pallaroni
Newburgh Free Academy
Newburgh

Dorothy H. Robinson
Albany High School
Albany

Louis R. Rosettie
Bureau of Business and Distributive Education
State Education Department
Albany

Hunting Sherrill
Bureau of Business and Distributive Education
State Education Department
Albany

Bertram E. Weiss
Chairman, Department of Accounting
New Utrecht High School
New York

Edward J. Welch
East High School
Rochester

Franklin E. Werts
Newark High School
Newark

The schools and teachers who participated in the experiment for at least one year were:

School	*Teacher*
Albany	
Albany High School	Dorothy H. Robinson
Milne High School	Ruth Woolschlager, *Supervisor*
Au Sable Forks High School	Genevieve M. Carey
Bath, Haverling Central School	Howard J. Rock
Buffalo, Kensington High School	Esther L. Fink
Endicott, Union-Endicott High School	Ruth I. Kniskern
Gloversville High School	Catherine M. Drury
Gouverneur High School	Earl Walrath
Lansingburg High School	Ruth Naish
Malone, Franklin Academy	Geraldine A. Sennett
Middletown High School	Helen Wear

School	*Teacher*
New York	
Abraham Lincoln High School	Celia Schulman
Jamaica High School	Michael Banner
New Utrecht High School	Louis Feldman
	Sidney Abramson
Washington Irving High School	Abraham Pollack
	Norman Seiden
Newark High School	Franklin Werts
Newburgh Free Academy	Mildred V. Pallaroni
Palmyra-Macedon Central School	John Tefft
Poughkeepsie High School	Anne Roche
Rochester, East High School	Edward J. Welch
Roslyn High School	Agnes L. Reilly
Watertown High School	Helen Holland
Woodmere High School	Catherine Ederer

Below is a list of schools and teachers who served for at least one year as the control group in the experiment:

School	*Teacher*
Albany	
Philip Schuyler Senior High School	Ethel E. Hunter
	Emerson Sheehy
Roessleville Union School	Dorothy O. Haeusser
Bath, Haverling Central School	Howard J. Rock
Buffalo	
Fosdick-Masten Park High School	Margaret Phillips
Grover Cleveland High School	Earl Beech
Endicott, Union-Endicott High School	Ruth I. Kniskern
Kingston High School	Raymond Woodard
New York	
Abraham Lincoln High School	Celia Schulman
Jamaica High School	Michael Banner
Franklin K. Lane High School	Solomon Steinfeld
New Utrecht High School	Louis Feldman
Prospect Heights High School	Irving Raskin
Samuel J. Tilden High School	Louis Braverman
Washington Irving High School	Abraham B. Pollack
Poughkeepsie High School	Anne Roche
Rochester, Charlotte High School	Bernard J. Tracy
Roslyn High School	Agnes L. Reilly
Seneca Falls, Mynderse Academy	Raymond G. Becker
Troy High School	Myrtle E. Fletcher

In developing a state syllabus, it is important to obtain the approval and cooperation of as many groups of teachers as possible. Teachers of bookkeeping in the New York City schools had been working on a new bookkeeping outline for nearly three years. A committee representing the New York City syllabus group studied the proposed state outline and later met with representatives of the Bureau of Business and Distributive Education and gave its approval to the state outline. They also made many valuable suggestions which were incorporated into the state syllabus. The Department appreciates the assistance and cooperation of the following business educators in the New York City high schools:

Nathaniel Altholz, director of commercial subjects
Michael Banner, chairman, department of accounting, Jamaica High School
Maurice Gottlieb, chairman, department of accounting, Seward Park High School
Abraham B. Pollack, chairman, department of accounting, Washington Irving High School
Irving Raskin, chairman, department of accounting, Prospect Heights High School
Solomon Steinfeld, chairman, department of accounting, Franklin K. Lane High School
Bertram E. Weiss, chairman, department of accounting, New Utrecht High School

CLINTON A. REED, *Chief*
Bureau of Business and Distributive Education

Tentative Syllabus

Bookkeeping 1
and
Bookkeeping 2

INTRODUCTION

Need for Bookkeeping

Almost everyone living in this complex civilization has a need for bookkeeping. The degree of this need varies with the individual and with the situation in which he finds himself. Government regulations on the state and federal levels make mandatory the keeping of certain records for large businesses, small businesses and individuals. This outline includes consideration of trading and nontrading businesses and professions.

Provision for Flexibility

This bookkeeping syllabus has been designed to provide flexibility to meet varied teaching conditions. Teachers should recognize that the syllabus prescribes only the minimum subject matter to be covered. Additional subject matter may be added to meet the interests, needs and abilities of the pupils.

Order of Presentation

The topics in this syllabus do not have to be followed in the order in which they appear in the outline as long as the aims and objectives are accomplished.

Purpose of First Year Bookkeeping

The first year bookkeeping course is designed to be an overview of the field of bookkeeping. The course will be of value to nonbusiness pupils who take it as an elective in that it will give them an understanding of the field of business and will have other personal values. It will be of additional value to all pupils who are pursuing business curriculums, not only because many office positions for beginners require some knowledge of bookkeeping, but also because all office workers should have the understanding of business which is gained through a knowledge of bookkeeping. For those pupils who develop

a marked degree of interest and have ability in bookkeeping, the first year course will provide an excellent beginning for more advanced work in this subject in high school and college.

Purpose of Second Year Bookkeeping

The second year bookkeeping course is planned for those pupils who desire to become more highly skilled in bookkeeping and to increase their understanding of the subject. Pupils who can benefit from advanced work with its vocational emphasis should be encouraged to take the second year course. During the year, if part-time bookkeeping positions are available, the establishment of a cooperative office skills program is recommended.

Bookkeeping Aspects Emphasized

Although the line which separates bookkeeping and accounting is difficult to define, this syllabus emphasizes the understanding of and facility in the bookkeeping aspects of the work. The accounting procedures are taught mainly for understanding in order that the pupil may see the ultimate results of his work as a bookkeeper.

GENERAL TEACHING SUGGESTIONS

Personality Traits and Work Habits

The teacher should make definite plans to teach desirable personality traits and good work habits throughout the course. The teaching of these characteristics should not be left to chance.

Understanding, Memorization and Skill

As an understanding of subject matter is much more important than mere memorization, memoriter learning of forms and other bookkeeping devices should be de-emphasized. Some topics are taught for understanding only, others for understanding and a limited degree of skill, whereas still others should be taught for understanding and a high degree of skill. In all cases understanding of the subject matter is more important than the mere ability to perform bookkeeping operations mechanically.

Community Resources

Approved bookkeeping procedures which are used in the school-community should be stressed throughout the course. All possible means should be used to enrich the subject matter: community resources should be used as much as possible; pupils should be encouraged to observe businesses in their local community; relevant experiences of the pupils should be drawn upon. Teachers are encouraged to make use of actual business forms as illustrations, to

take their classes on field trips and to bring in outside speakers. Bookkeeping records of student organizations within the school may be used to good advantage.

Visual Aids

Chalkboards, bulletin boards, charts, business papers and bookkeeping forms as well as various types of projected visual aids should be used. Many opportunities will arise for pupil participation in the preparation and use of visual aids.

Flow Charts

In order that pupils may understand that the books should reflect what has actually taken place, it is suggested that use be made of flow charts which trace the course of a business paper with the related business procedures from the time the transaction occurs until the final statement appears.

Method

The syllabus has been so prepared that any approved method of instruction may be used. Regardless of the method used pupils should learn not only subject matter but also how to work individually and with each other.

From the beginning an attempt should be made to teach each topic in a form in which it can be used in actual practice.

In order that pupils understand that bookkeeping entries are made from business papers, it is important that these papers, business procedures and teacher-prepared or published practice sets be incorporated into the course.

Accurate arithmetic and legible penmanship are required. Remedial work in individual cases may be necessary.

Motivating Devices

Every opportunity should be taken to recognize the work of pupils who have shown improvement or who are especially competent. Publicity should be given the progress made by the pupils and if possible some formality should accompany the presentation of the awards.

Individuation of Instruction

It is recognized that there will be marked differences in pupils, schools and communities. In order to provide for these differences, certain topics have been marked optional. These topics may be omitted, assigned to interested pupils or considered as regular work in certain classes. A variety of exercises and practice sets with business papers should be used in order to provide for the needs of various types of pupils.

Teachers should make definite plans to increase the amount of pupil participation in the class activities.

Consumer Information

Information for the consumer should be stressed wherever possible throughout the course. The alert teacher will find many topics where this type of instruction will be valuable.

EQUIPMENT, SUPPLIES AND FACILITIES

While it is not necessary to have an especially equipped room, it is advisable that the desks be of a size suitable for bookkeeping instruction (recommended top surface of not less than 30 inches by 22 inches.)

It is suggested that the following equipment be available: filing cabinet, ten-key adding-listing machine, full-key adding-listing machine, storage facilities, adequate bulletin boards and chalk boards.

Equipment which will make possible the use of various types of projected visual aids should be available. Schools should be alert also to new situations involving the use of audio-visual equipment.

Whenever possible, ruled bookkeeping paper and forms should be furnished the pupils. This will make the instruction more realistic and will save the time which otherwise might be used in ruling the forms.

SUPPLEMENTARY MATERIALS

Governmental Information

Because of the scope of the subject, it is necessary that teachers keep up to date as to governmental regulations. Some sources of such information are:

Bureau of Internal Revenue
U. S. Treasury Department
(Offices in Albany, Brooklyn, Buffalo, New York and Syracuse)

Division of Placement and Unemployment Insurance
State of New York, Department of Labor
(District offices in Albany, Binghamton, Buffalo, New York, Rochester, Syracuse, Utica and Yonkers)

Local Post Office
(Obtain address of the nearest field office of the Social Security Administration)

State Department of Commerce
(Offices in Albany, Binghamton, Buffalo, Elmira, Kingston,

Mineola, New York, Ogdensburg, Rochester, Syracuse, Utica and White Plains)

State Department of Taxation and Finance
(Offices in Albany, Brooklyn, Buffalo, New York, Rochester, Syracuse and Utica)

Superintendent of Documents
Government Printing Office
Washington 25, D. C.
(Ask to be placed on mailing list for selected government publications)

Workmen's Compensation Board
(District offices in Albany, Binghamton, Buffalo, New York, Rochester and Syracuse)

National Business Entrance Tests

Individual bookkeeping tests from each series may be obtained for a nominal fee from the Joint Committee on Tests, National Office Management Association, 132 West Chelton avenue, Philadelphia 44, Pa.

These materials may be used for teaching purposes or for general testing. Because of their vocational emphasis they are particularly appropriate for use in second-year bookkeeping.

Bookkeeping Forms

Actual bookkeeping forms and related business papers should be obtained from local businesses and office supply houses and used as illustrative material.

Farm Bookkeeping (Bulletins 95 and 95-A)
Bookkeeping for Owners of Small Businesses (Bulletin 87)

While practice sets with business papers are suggested for use in bookkeeping instruction, two practice sets in the above areas without business papers are available from the Bureau of Business and Distributive Education.

These were written especially for adult groups but can be adapted for instruction in regular high school classes.

Social Security and You (Bulletin 103)

This is another bulletin available from the Bureau of Business and Distributive Education which was prepared originally for adult groups. The information in it will prove helpful to a teacher not familiar with the details of this topic.

A list of references is also a part of the bulletin.

AIMS AND OBJECTIVES
BOOKKEEPING 1 AND BOOKKEEPING 2

1 To develop an appreciation of the importance and value of bookkeeping to individuals, to business enterprises and to government.

2 To give an economic understanding of sound business procedure and management as revealed by the accounting records.

3 To give pupils a knowledge of bookkeeping and related business procedures that will function in the management of their personal business affairs, prepare them to become competent beginning workers and enable them to advance to higher positions. For some pupils this knowledge may lead to their ultimate success as managers or proprietors of business enterprises.

4 To give pupils an understanding of assets, liabilities, capital, income and expense that will enable them to analyze and interpret business situations.

5 To give pupils a knowledge of business papers, related office procedures and sound business practices, and an acquaintanceship with the business machines and equipment used in bookkeeping and related work.

6 To develop the technical skills required for competent performance by a bookkeeper at the beginner's level.

7 To develop the ability to interpret accounts and financial statements.

8 To acquaint pupils with the types of business organization and to develop their understanding of the basic bookkeeping records for each type.

9 To inculcate in pupils the habits, attitudes and ideals necessary for success on the job, and the realization that the success of individuals depends to a considerable extent on their ability to get along with their fellow workers, that the success of business enterprises depends largely on the cooperation of all connected with them and that society as a whole depends upon the ability of all its members to get along with and to cooperate with one another.

10 To give pupils the opportunity to explore their interest in and their fitness for advanced bookkeeping; and, by means of educational and vocational guidance, to foster in the more able pupils an abiding interest in the field of accounting which will continue beyond the high school.

FIRST YEAR BOOKKEEPING

The topics in the following syllabus need not be followed in the order in which they are given as long as the aims are accomplished.

Exercises and practice sets with business papers and forms suitable to the needs, interests and abilities of the individual pupil should be included.

Time Requirement and Regents Credit

First year bookkeeping should be taught four or five periods a week for a full school year with an equal amount of preparation outside the classroom. Pupils who satisfactorily complete the course may upon the certification of the principal receive one Regents credit. No Regents examination in first year bookkeeping will be prepared.

Grade Placement

Pupils in grades 10, 11 and 12 can profitably pursue first-year bookkeeping.

Diploma Requirements

One year of bookkeeping is included in the vocational office practice sequence and in the nonvocational business sequence and is an optional subject in one of the cooperative office skills (work experience) sequences for the state high school diploma in business subjects.

Three-unit sequences (4), (5), (10), (17) (work experience), and (20) (work experience) for the non-business form of state high school diploma include one year of bookkeeping.

Starred Items (*)

Items which are starred (*) should be taught at the acquaintance-ship level. Pupils should have a thorough understanding of the starred (*) items, but should not be required to have a high degree of skill in their practical application.

These starred (*) topics can be presented by having the teacher at the chalkboard working jointly with the pupils who are at their seats. Certain topics can be presented by means of film strips, motion pictures, the opaque projector, bulletin board displays, chalk-board, duplicated materials, class discussions and dramatizations. Other similar practices will occur to the teacher. The teaching suggestions which accompany each starred (*) item in the outline are intended to be of assistance in this regard.

The assignments dealing with the starred (*) topics which are to be completed outside of class should be of a type which will permit the pupils to gain a better understanding of the particular topic.

Examination questions covering the starred (*) topics should measure understanding only.

Bookkeeping 1

CONTENT	TEACHING SUGGESTIONS
1 Importance of a knowledge of bookkeeping	
2 Assets, liabilities, capital	Discuss these items in terms of the philosophy of American business.
2.1 Meaning of assets 2.11 Personal 2.12 Business	
2.2 Meaning of liabilities 2.21 Personal 2.22 Business	
2.3 Meaning of capital	Develop the idea that capital represents the proprietor's interest in the assets.
2.4 The relationships which exist among assets, liabilities and capital	Use the fundamental equation or the account form of balance sheet, or both.
2.5 Business transactions and resultant changes in assets, liabilities and capital	Introduce analysis of transactions.

3 Income and expense	Show that businessmen make investments and render services and, in return, are entitled to a profit. Analysis of transactions may be made in terms of $A = L + C$, or $A = L + C +$ Inc. — Exp.
3.1 Meaning of income	
3.2 Meaning of expense	
3.3 Business transactions and resultant changes in assets, liabilities and capital (income and expense)	
4 Ledger accounts	Use the following skeleton account form (T-account) for chalkboard demonstration:
4.1 Purpose	Ruled ledger paper should be introduced.

CONTENT	TEACHING SUGGESTIONS
4.2 Form of the general ledger account 4.21 Title 4.22 Debit and credit sides	Point out that assets appear on the left side of the balance sheet and are, therefore, entered on the left side (debit) of the corresponding account. Likewise, capital and liability accounts are on the right side of the balance sheet and on the right (credit) side of the corresponding account.
4.3 The ledger and ledger paper	
5 Introduction to asset and capital accounts 5.1 Assets (cash, supplies and equipment) 5.11 Debits and credits 5.12 Related business papers and procedures — arrangements for safeguarding cash, checking account, money orders, bank drafts	Develop a project using actual business papers. Teach procedures involved in handling a checking account. Indorsements should be limited to blank, full and restrictive types.
5.2 Capital and personal accounts for a single proprietorship 5.21 Debits and credits	Contrast withdrawals in anticipation of profits with withdrawals made to reduce the investment.

5.22 Comparison with partnership and corporation capital accounts (*optional*)

Show the impracticability of recording all changes in capital in the proprietor's capital account.

5.3 Recording payments for rent, delivery expense and salaries

Give preliminary drill in addition and subtraction of amounts in terms of dollars and cents.

5.4 Pencil foot account and indicate pencil balance in explanation column — rulings may be omitted. (See teaching suggestion for 17.4.)

Stress skills required in figure work.

If rulings are made, ink should be used in accordance with correct business practice.

5.5 Meaning of information in the accounts

Have pupils reconstruct the business events from the account records.

5.6 Trial Balance

It is suggested that a trial balance of totals be developed with the class. This should be changed *immediately* to a trial balance of balances similar to the following skeleton illustration:

Cash	$2000	$500	Cash	$1500	
Inventory	3000		Inventory	3000	
Acc'ts Payable	2000	3000	Acc'ts Payable		1000
Capital		3500	Capital		3500
	$7000	$7000		$4500	$4500

5.61 Purpose

5.62 Method of preparation

5.63 Location and correction of errors

After the journals have been introduced, develop skill in checking back from the ledger to the journals.

5.64 Use of adding-listing machine

CONTENT	TEACHING SUGGESTIONS
6 Merchandise accounts	
6.1 Inventory — opening inventory at cost price only	
6.11 Business papers and procedures relative to physical inventory and inventory records	
6.2 Purchases, purchases returns and allowances, transportation in or freight in — cash transactions only	Teach methods of transporting merchandise.
6.21 Debits and credits	
6.22 Related business papers, procedures and arithmetic — trade discount, receipted invoice, cash register slip, transportation receipt, bill of lading, check stub, petty cash voucher	The use of these papers should be taught to show that they are the authorization for the bookkeeping entries.
6.3 Sales and sales returns and allowances — cash transactions only	Show the impracticability of recording cost of sales daily.
6.31 Debits and credits	
6.32 Related business papers, procedures and arithmetic — cash register readings, cash sales slip, cash refund slip	The use of these papers should be taught to show that they are the authorization for the bookkeeping entries.

6.4 Pencil foot account and indicate pencil balance in explanation column — rulings may be omitted	See teaching suggestion for 17.4.
6.5 Meaning of the information in the accounts	Have pupils reconstruct the business events from the account records.
6.51 Find gross profit and net profit — arithmetical computations only	
7 Receivables	
7.1 Meaning and use of credit	Draw upon home experiences with charge accounts. Consider terms of credit.
7.11 Bases for extension of credit and use of credit agencies	Develop factors underlying credit standing. Stress character traits — integrity, punctuality, consideration for others.
7.2 Customers' accounts	It is suggested that customers' accounts be kept separate from the other accounts. This procedure is intended to facilitate the teaching of control accounts later. Indicate that the obligation of the customer creates an enforceable legal claim against him. Distinguish between receivables and tangible assets.
7.21 Debits and credits — sales on account, sales returns and allowances and cash received on account	Customers' accounts may be prepared on three-column paper.

CONTENT	TEACHING SUGGESTIONS
7.22 Related business papers, procedures and arithmetic — sales orders, sales invoices, statements of account, credit memorandums, incoming cash items	Stress the importance of authenticating the credit memorandum. Show graphically (flow chart) the routing of a credit sale from the point of origin to shipment and billing. Give pupils practice in filling in these business papers.
7.23 Determining the paid items — keying off or single line ruling	Illustration of keying off:
7.24 Pencil foot account and indicate pencil balance in explanation column	
7.25 Preparation of schedule (abstract)	
7.3 Notes receivable	At this time noninterest-bearing notes should be used.
7.31 Reasons for use	Stress convertibility into cash as the primary purpose. Show the importance of written evidence of a debt. Show the effect of nonpayment on credit standing.
7.32 Procedures and safeguards in using	Show the importance of keeping safely the original note. The use of a tickler file should be demonstrated.

CUSTOMER, ALBANY, N. Y.

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Apr. 1	2/10, n/30	S 8	(a) 300.	Apr. 11	CR 2	(a) 300.	
15		S 9	(b) 100.	17	J 2	(b) 10.	
22		S 13	50.	22	CR 2	25.	
				May 2	CR 2	(b) 90.	

7.33 Debits and credits	In a sale of merchandise with immediate receipt of a note, establish the account receivable first for complete record. See suggestion for item 7.23.
7.34 Determining the paid items — keying off or single line ruling	
7.35 Pencil foot account and indicate pencil balance in explanation column	
7.4 Meaning of information in the accounts	
8 Payables	
8.1 Meaning of creditors' claims	Contrast creditors' claims with the owner's rights.
8.2 Creditors' accounts	It is suggested that creditors' accounts be kept separate from the other accounts. This procedure is intended to facilitate the teaching of control accounts later.
8.21 Debits and credits	
8.22 Related business papers, procedures and arithmetic — orders, purchase invoices, creditors' statements of account, credit memorandums, check stubs and receipts	
8.23 Determining the paid items — keying off or single line ruling	See suggestion for item 7.23.
8.24 Pencil foot account and indicate pencil balance in explanation column	
8.25 Preparation of schedule (abstract)	

CONTENT	TEACHING SUGGESTIONS
8.3 Notes payable	At this time noninterest-bearing notes should be used. Consumer information — accommodation indorsements should be *discussed* so that pupils will learn their obligations when they indorse or co-sign notes.
8.31 Reasons for use	
8.32 Procedures in using	
8.33 Debits and credits	Show the effect on liabilities by means of a balance sheet.
8.34 Determining the paid items — keying off or single line ruling	See suggestion for item 7.23
8.35 Pencil foot account and indicate pencil balance in explanation column	
8.4 Meaning of information in the accounts	
9 Cash discounts	
9.1 Meaning and purpose	Discuss the advantages to the seller and to the buyer. Distinguish between cash and trade discounts.
9.2 Related business papers, procedures and arithmetic — invoices, invoice terms, tickler file	Discuss ethical business practices. Have preliminary drill in computation.
9.3 Entry for sales discount	
9.4 Entry for purchases discount	

10 Interest on interest-bearing notes. (Discounting of notes is included in the second year bookkeeping outline.)	
10.1 Meaning	Develop the idea that interest is the cost of using money or credit.
*10.2 Computation	Although bookkeeping pupils should understand the calculation of interest, the teacher should not spend so much time on the teaching of this topic that other parts of the outline are neglected. It is suggested that the teacher calculate the interest with the class whenever transactions involving interest arise until such time as the pupils understand the calculation. Interest problems may be assigned for homework. Machine calculation should be demonstrated where machines are available. The pupils should also understand the use of interest tables. See page 15 for explanation of starred (*) items.
10.3 Entry for interest income (earned)	
10.4 Entry for interest expense (cost)	
11 Miscellaneous income	
11.1 Entry for rent income	
11.2 Entry for commissions income	

CONTENT	TEACHING SUGGESTIONS
12 Journals and control accounts	Provide for recording of entries from original business papers. It is suggested that journals be introduced in the order given. They may be taught in any sequence, however. A two-column journal or other teaching device may be used. Transactions requiring double-posting should be deferred to the second year.
12.1 Purchases journal and accounts payable control account	Stress the interrelationship of the general and subsidiary ledgers. Stress the interpretation of the data in the accounts payable control account. Give the pupils an understanding of the division of labor.
12.11 Entries in the purchases journal for purchase of merchandise on account	
12.12 Related business papers, procedures and arithmetic — purchase orders, purchase invoices and terms	Pupils should be shown the use of duplicate invoices as a purchases journal.

12.13 Posting	
12.131 Creditors' ledger (accounts payable ledger)	Call attention to the fact that our present ledger has three sections. These may be separated into three separate ledgers. Explain the meaning of the term, General.
12.132 Items to the individual accounts in the creditors' ledger	
12.133 Total debited to purchases and credited to accounts payable control account in the general ledger	In any journal where the column headings do not indicate how the items are posted, it is suggested that a summary entry be written. After the pupils have mastered the posting of the summary, the posting may be indicated by postmarks at the foot of the columns.
12.14 Kinds of creditors' ledgers	Actual samples or visual aids should be used to show bound, loose-leaf, and other types of ledgers.
12.15 Ruled ledger forms	Pupils should be shown various forms of ledger rulings, but should be required to know how to use the standard and balance rulings only.
12.16 Columnar (departmental) purchases journal (*optional*)	
12.2 Purchases returns and allowances journal (*optional*)	Compare its purpose and use with that of the purchases journal.

CONTENT	TEACHING SUGGESTIONS
12.3 Sales journal and accounts receivable control account	Stress the meaning of the items in the accounts receivable control account.
12.31 Entries in the sales journal for sales of merchandise on account	
12.32 Related business papers, procedures and arithmetic — sales orders, sales invoices	Exhibit varieties of sales journals, such as duplicate binder, and duplicate sales invoices. Stress the interdependence of employes and the need for mutual cooperation. Show that the success of a business depends largely upon the cooperation of all connected with it.
12.33 Posting	
12.331 Customers' ledger (accounts receivable ledger)	Always stress the fact that any change in a customer's account should be reflected in the accounts receivable control account.
12.332 Items to the individual accounts in the customers' ledger	
12.333 Total debited to accounts receivable control account and credited to sales account in the general ledger	See suggestions for item 12.133.
12.34 Kinds of customers' ledgers	See suggestions for item 12.14.

12.35 Ruled ledger forms	See suggestions for item 12.15
12.36 Columnar (departmental) sales journal (*optional*)	
12.4 Sales returns and allowances journal (*optional*)	Compare its purpose and use with that of the sales journal. A stereotyped number and arrangement should be avoided. Pupils should understand why special columns are used. In any practical situation where there are a sufficient number of the same type of entry, a special column is a time-saving device.
12.5 Cash receipts journal — Columns for general ledger, accounts receivable, sales discount, cash (order may be varied and other columns may be added)	
12.51 Record of beginning cash balance (*optional*)	Cash balances are determined by actual proof of cash.
12.52 Related business papers, procedures and arithmetic — types of cash items received, issuing receipts for money received	
12.53 Record of cash received — check equality of debits and credits for each entry	
12.54 Check equality of total debit and credit pencil footings	
12.55 Posting	
12.551 Individual items from the general ledger and accounts receivable columns	
12.552 Totals of columns (*summary entry not required*)	

CONTENT	TEACHING SUGGESTIONS
12.6 Cash payments journal — columns for general ledger, accounts payable, purchase discount, cash (*order may be varied and other columns may be added*) 12.61 Related business papers, procedures and arithmetic — proof of cash, cash over and short, procedure in paying invoices, check writers, receipts for money paid 12.62 Record of cash payments — check equality of debits and credits for each entry 12.63 Check equality of total debit and credit pencil footings 12.64 Posting 12.641 Individual items from general ledger and accounts payable columns 12.642 Totals of columns (*summary entry not required*)	See suggestions for item 12.5

12.65 Banking procedures	
12.651 Making deposits and keeping a checkbook	Develop a project, using actual business papers. Teach the procedure involved in voiding a check written, but not used. The presentation of this topic should include the preparation of a bank deposit.
12.6511 Column for check number in cash payments journal and column for bank deposit in cash receipts journal	
12.652 Forms and types of checks	
12.653 Indorsements	
12.654 Reconciliation	Teach the meaning of the items on the bank statement. The reconciliation statement may be placed on a prepared form, or may be written on the back of the check stub, on the back of the bank statement, or in the cash receipts or cash payments journals. Show the significance of the available bank balance.
12.6541 Entries for corrections	Entries to correct errors or omissions discovered at the time of the reconciliation should be taught.
12.7 General Journal	Give the pupils a narrative and ask them to state the books of original entry to be used, and also the business paper from which the transaction originated.

CONTENT	TEACHING SUGGESTIONS
12.71 Used for opening entry and other entries for which no special journal is provided 12.72 General journal — columns for accounts payable, general ledger, debit and credit, accounts receivable (additional columns and divided forms in line with community practice) 12.73 Check equality of total debit and credit pencil footings 12.74 Posting 12.741 Individual items 12.742 Totals (*summary entry not required*) 12.75 Related business papers, procedures and arithmetic — credit memorandums and other written authorizations 12.8 Multi-columnar single journal system (*optional*) 13 Trial balance with control accounts 13.1 Purpose 13.2 Method of preparation	

13.3 Check the schedules (abstracts) for customers' and creditors' ledgers with the control accounts	Using a completed set of selected records containing errors affecting the accounts receivable, develop the procedure for locating errors and for making corrections in the accounts receivable control and the schedule only.
13.4 Location and correction of errors	Discuss the advantages and the disadvantages of controlling accounts, with emphasis on the localization of errors.
13.5 Use of adding-listing machine	
14 Petty cash system	
14.1 Need and purpose	Show the need for depositing all cash receipts and for making payments by check.
14.2 Select system in general use locally, if acceptable as good practice	
14.21 Establishing the system	
14.22 Operation of the system	Prepare several completed petty cash vouchers to determine the classification of petty cash disbursements. Provide opportunity for pupils to determine columns to be used.
14.23 Proof of petty cash	Show that, at any time, the petty cashier must be prepared to account for the funds entrusted to him.
14.3 Related business papers, procedures and arithmetic — vouchers or other proofs of payment	Make two or three disbursements using petty cash vouchers. Emphasize the fact that the voucher is both an authorization and a receipt.

CONTENT	TEACHING SUGGESTIONS
15 Payroll taxes	Use a project, including time cards, payroll sheet and withholding tax table. Secure information and printed material from regional office of the Federal Bureau of Internal Revenue. See page 12, Governmental Information.
15.1 Social security legislation	
15.11 Purpose	
15.12 Federal old age benefits (FOAB or FICA)	
15.121 Record for employes' contribution when salaries are paid	
15.122 Record for employer's contribution	Entry for the liability for the employer's share of the tax may be set up at the time wages are paid or at the time the remittance of the tax is made to the Government. Stress the distinction between the Social Security Taxes Payable Account and the Social Security Taxes Account.
15.123 Record for payment of both contributions to Director of Internal Revenue	
15.2 Federal income taxes withheld	
15.21 Purpose	
15.22 Record when salary is paid	Provide practice in the use of withholding tax tables to determine the tax withheld.

15.23 Record when payment is made to Director of Internal Revenue	
15.3 Related business papers, procedures and arithmetic — payroll records, depository receipts, employes' checks and pay envelops, application for social security number, tax forms, tax tables, withholding receipts	Consumer information: Indicate who should file a return and why it should be filed.
*16 Balance sheet and profit and loss statement	The forms of the financial statements should be developed by the teacher with the class, and the reasons why these data are arranged this way should be discussed. When it is necessary to prepare statements, the teacher should prepare them with the class until such time as the pupils understand their preparation. Blank forms, or previously prepared copies of statements, should be furnished the pupils, who should not be required to memorize the forms. See page 15 for explanation of starred (*) items.
16.1 Purposes and uses	Show how the financial statements are utilized by the bank, the trade creditor, credit information agencies, the Government and the proprietor.

CONTENT	TEACHING SUGGESTIONS
16.2 Preparation	Statements should be so taught that the pupils will be able to adapt their knowledge to any printed form which may be furnished them.
16.21 Sources of information	
16.211 Trial balance and related information for business statements (*worksheet optional*)	Consider each account in the ledger to show that some of the accounts do not reflect true conditions. Take inventory and make appraisals of merchandise, supplies, services and equipment. Prepare a device to show the items and the amounts that appear in each statement.
16.22 Balance sheet (account or report form) — Unclassified	Any acceptable form of balance sheet may be used. Assets and liabilities do not have to be classified. The capital section does not have to be detailed, but may show only the present capital. If desired, a separate statement of proprietorship may be prepared. See item 5.27 of the Second Year Outline.
16.221 Depreciation and valuation accounts for Fixed Assets — straight line method	

16.23 Profit and loss statement — minimum classification — sales, cost of goods sold, operating expenses, other income	Any acceptable form of profit and loss statement may be used.
16.231 Sales discount	Expenses do not have to be classified.
16.2311 Deducted from sales	
16.2312 Included with operating expense	
16.232 Purchases Discount	
16.2321 Deducted from purchases	
16.2322 Included with other income	
16.3 Related business papers, procedures and arithmetic — inventory sheets for merchandise and prepaid items, equipment records, income tax forms, blank forms for balance sheet and profit and loss statement, samples of actual statements	

CONTENT	TEACHING SUGGESTIONS
*17 Adjusting and closing entries	Develop the fact that an adjusting entry is a postponed entry that is made to bring account records into agreement with the present value of the assets, liabilities, and capital they represent. Use visual aids, such as graphs, flow charts, and diagrams. Pupils should understand thoroughly the reasons for the preparation of adjusting and closing entries, but should not be required to memorize them. Adjusting and closing entries should be prepared by the teacher and class working together. Examinations on this topic should be designed to test understanding. See page 15 for explanation of starred (*) items.
17.1 Purpose and sources of information 17.2 Journal entries — any method is acceptable	It is recommended that a simplified method of making closing entries be used.

17.3 Posting	
17.4 Ruling and balancing the accounts	Any acceptable method of ruling may be used.
17.5 Post-closing trial balance	Compare with final balance sheet.

It is recommended that the items in the course be integrated further by teaching devices, such as practice sets with business papers. These sets may be prepared by the teacher and duplicated, or may be purchased. Individual needs, interests, and abilities may be met by providing various types of laboratory materials.

Where possible, pupils should be encouraged to obtain in-school or out-of-school related work experience.

SECOND YEAR BOOKKEEPING

All the topics in first year bookkeeping should be stressed so that the pupils will attain a higher level of skill and increased understanding.

The topics in the following syllabus need not be followed in the order in which they appear as long as the aims and objectives are accomplished. The syllabus is so prepared that from one-third to one-half of the course time will be available for the teaching of columnar records through the use of exercises and practice sets. This plan will assist in integrating the syllabus topics which are somewhat unrelated when taken separately. Some of this laboratory-like work may be interspersed throughout the course as well as being deferred until the time when all of the topics have been completed.

Time Requirement and Regents Credit

Pupils who successfully complete bookkeeping two years may earn two or two and one-half units of Regents credit. This is because of the optional double-period arrangement for the two semesters of the second year. The regular period of instruction requires an equal amount of outside preparation. Since the additional or laboratory period does not require such outside preparation, therefore only one-half unit of Regents credit is assigned to the practice period.

The Examination

A Regents examination based on the two-year syllabus will be given in January and June of each school year. The passing grade is 65 per cent.

Grade Placement

Students in grades 11 and 12 can profitably pursue second year bookkeeping.

Diploma Requirements

Two years of bookkeeping are required in the vocational bookkeeping sequence and in one of the cooperative office skills sequences (work experience) for the state high school diploma in business subjects.

Three-unit sequences (7), (8), (16) (work experience) for the nonbusiness form of state high school diploma also include two years of bookkeeping.

Starred Items (*)

Items which are starred (*) should be taught at the acquaintanceship level. Pupils should have a thorough understanding of the starred items but should not be required to have a high degree of skill in their practical application.

These starred (*) topics can be presented by having the teacher at the chalkboard working jointly with the pupils who are at their seats. Certain topics can be presented by means of film strips, motion pictures, the opaque projector, bulletin board displays, chalkboard, duplicated materials, class discussions and dramatizations. Other similar practices will occur to the teacher. The teaching suggestions which accompany each starred (*) item in the outline are intended to be of assistance in this regard.

The assignments dealing with the starred (*) topics which are to be completed outside of class should be of a type which will permit the pupils to gain a better understanding of the particular topic.

Examination questions covering the starred (*) topics should measure understanding only.

Bookkeeping 2

CONTENT	TEACHING SUGGESTIONS
1 Payrolls	Secure information and printed materials from regional office of the Federal Bureau of Internal Revenue. See page 12, Governmental Information. Secure or reproduce acceptable payroll forms.
1.1 Federal old age benefits (FOAB or FICA)	
1.2 Federal income taxes withheld	
1.3 Unemployment insurance	Secure information and printed materials from State Division of Placement and Unemployment Insurance. See page 12, Governmental Information.
1.31 Entry for employer's contribution to State Government	
1.32 Entry for employer's contribution to Federal Government	
1.4 New York State disability benefits	Secure information and printed material from Workmen's Compensation Board. See page 12, Governmental Information.

1.41 Entry for deductions of employes' contributions	
1.42 Entry for payment by employer	
*1.5 Other types of deductions — such as: U. S. bonds, union dues, hospitalization, insurance and pensions	Pupils should be made to realize that different firms have various types of payroll deductions but that all are handled in a similar manner. See page 41 for explanation of starred (*) items.
1.6 Workmen's compensation insurance	Secure information and printed material from Workmen's Compensation Board. Consult local insurance agents or brokers.
1.61 Purpose	Teacher should not become involved in technicalities.
1.62 Entries of employer	
1.7 Payroll records and entries including individual earning record	
1.8 Related business papers, procedures and arithmetic — payroll forms, required government forms, government reports and tables	Projects which will integrate payroll work with other phases of bookkeeping work should be used where possible.

CONTENT	TEACHING SUGGESTIONS
2 Negotiable business papers—notes, trade acceptances, money orders, voucher checks, cashiers' checks, certified checks, travelers' checks, bank drafts, *sight drafts with order bills of lading	Forms in local use should be secured. A high school business law book is a good reference for the teacher. In those localities where the sight draft with order bill of lading is commonly used, procedures and entries should be demonstrated. Pupils should understand, but should not be required to memorize, specific steps in the handling of sight draft with order bill of lading.
2.1 Reasons for use	Stress convertibility into cash as the primary purpose of notes and acceptances. Show the importance of a written evidence of a debt.
2.2 Procedures and safeguards in using	Consumer information: Accommodation indorsement should be *discussed* so that pupils will learn their obligations when they indorse or co-sign notes.
2.3 Receivables	
2.31 Entries for receipt of instrument	Show the importance of keeping safely the original instruments and the use of a tickler file.
2.32 Procedures and entries for transfer of instrument	Endorsements should be limited to blank, full or restrictive.

*2.321 Discounting of instrument, including contingent liability — arithmetical processes	Demonstrate the process of discounting notes at the board with pupils working at their seats. See page 41 for explanation of starred (*) items. In an examination calling for entries, the net proceeds of the note should be given.
2.33 Procedures and entries for payment of instrument by the maker or drawee	
2.34 Procedures and entries for nonpayment of instrument by the maker or drawee	Show the effect of nonpayment on credit standing.
2.4 Payables	
2.41 Entries when instrument is issued for an account payable, borrowing money, or renewal	Money may be borrowed by discounting a note payable or by giving an interest-bearing note.
2.42 Payment of the instrument	
2.5 Note registers — (*optional*)	
3 Uncollectible receivables	
3.1 Reasons why uncollectible receivables should be anticipated	
3.2 Bases for the estimate of the allowance	Limited to per cent of net sales, and per cent of accounts receivable.

CONTENT	TEACHING SUGGESTIONS
3.3 Records — conform with governmental tax regulations	
3.31 To set up and maintain the allowance (reserve) for bad debts	
3.32 To write off an uncollectible receivable	
3.33 For bad debts collected	
3.4 Related business papers, procedures, and arithmetic — collection procedures, statements of account	
4 Depreciation — conform with Governmental tax regulations	
4.1 Meaning of and necessity for recording	
4.2 Computation — limited to straight line method	
4.3 Records to set up and maintain the allowance (reserve) for depreciation	
4.4 Related business papers, procedures and arithmetic — Government pamphlets relating to depreciation	
4.5 Fixed asset records (*optional*)	For example, an individual card file.

5 Financial statements (Trading and service businesses and professions)	Memorization of forms by pupils not required. In teaching and testing, the statement of a previous fiscal period or a form should be furnished the pupils as a guide. Any acceptable form may be used. Statements should be so taught that pupils can adapt their knowledge to any printed forms which may be furnished them. Use income tax and bank loan application forms. A work sheet may be used to secure information necessary to prepare the statements. The ledger does not have to be adjusted and closed every time statements are prepared.
5.1 Profit and loss statement — sales, cost of goods sold, operating expenses, other income, other expenses	Include as income sales, services and professional fees. Operating expenses may be classified if desired.
5.11 Sales discount	
5.111 Deducted from sales	
5.112 Included with operating expense	
5.12 Purchase discount	
5.121 Deducted from purchases	
5.122 Included with other income	

CONTENT	TEACHING SUGGESTIONS
5.2 Balance sheet	
5.21 Current assets	
5.211 Valuation accounts	
5.22 Deferred charges to expense (may be included with current assets)	
5.23 Fixed assets	
5.231 Valuation accounts	
5.24 Current liabilities	
5.25 Deferred credits to income	
5.26 Fixed liabilities	
5.27 Detailed capital section or statement of proprietorship. (The amount of the net profit should be given if the statement of profit and loss is not prepared first by the pupil)	The proprietor's beginning capital, the net profit or loss, the balance of the personal account, and ending capital may be shown in the capital section of the balance sheet or on a statement of proprietorship. Stress confidential nature of proprietorship.
*6 Interpretation of financial statements	Given the necessary information or formulas, pupils should understand the meaning and use of the results as an aid in the management of the business.

	Memorization of formulas by pupils is not required. The computations may be presented at the chalkboard, with pupils working at their seats. See page 41 for explanation of starred (*) items.
6.1 Reasons for interpreting financial statements 6.2 Percentages based on net sales	Pictorial graphs may be used to show these facts. Annual financial reports of corporations to stockholders may be used for illustration. Compare these items from fiscal period to fiscal period and with similar businesses.
6.21 Cost of goods sold 6.22 Gross profit 6.23 Operating expense 6.24 Net profit 6.3 Rate of merchandise turnover 6.4 Current ratio 6.5 Working capital 6.6 Rate of return on beginning investment	
7 Adjusting and closing entries (*work sheet optional*) 7.1 Purpose and sources of information	Any correct method is acceptable. Develop the fact that an adjusting entry is a postponed entry that is made to bring account records into agreement with the present value of the assets, liabilities and capital they represent. Use visual aids, such as graphs, flow charts and diagrams.

CONTENT	TEACHING SUGGESTIONS
7.2 Adjusting entries	Consider each account in the ledger to show that some of the accounts do not reflect true conditions. Take inventory and make appraisals of merchandise, supplies, services and equipment. Prepare a device to show the items and the amounts that appear in each statement.
7.21 Accrued items	
7.22 Deferred items	
7.23 Other items which require adjustments	
7.3 Closing entries	It is recommended that a simplified method be used.
7.4 Ruling and balancing accounts	Any acceptable method may be used.
7.5 Post-closing trial balance	Compare with final balance sheet.
7.6 Reversing entries (post-closing entries) (*optional*)	
8 Partnership	Contrast partnership with single proprietorship.
8.1 Reasons for	
8.2 Legal aspects and articles of copartnership	Legal aspects should be limited to mutual agency, unlimited liability, division of profits, and dissolution upon withdrawal of a partner or admission of a partner. Entries are not required except for 8.3, 8.4, and 8.5.

8.3 Opening a set of books with the partners investing only cash and other tangible assets. No reserves nor items requiring reversals are to be included in the entry	Entries are required.
8.4 Division of profits or losses 8.41 Equally 8.42 Predetermined ratio	Entries are required.
8.5 Entries to record in each partner's personal account his share of profits or losses	Entries are required.
8.6 Detailed capital section of balance sheet or statement of each partner's capital	
8.7 Distribution of net profit	Give the pupils the net profit if the statement of profit and loss was not prepared. Each partner's beginning capital, his share of the net profit or loss, the balance in his personal account and his ending capital may be shown in the capital section of the balance sheet or on a statement of proprietorship. Memorization of form not required. This may be shown below the statement of profit and loss or it may be shown as a separate statement. Stress the confidential nature of the division of profits.

CONTENT	TEACHING SUGGESTIONS
9 Corporation (*opening entries not required*)	Contrast corporation with single proprietorship and partnership.
9.1 Reasons for	
9.2 Legal aspects	Legal aspects should be limited to indirect management, limited liability of stockholders, continuous existence, distribution of dividends, transfer of ownership.
9.3 Capital — meaning of	Entries are not required.
9.31 Capital stock — fully paid for and issued common stock	Entries not required.
9.32 Earned surplus	
9.4 Cash dividends	Entries are required.
9.41 Entries for declaration and payment of cash dividends	
9.5 Capital section of the balance sheet — limited to common stock and surplus	
9.6 Statement of surplus (*optional*)	
9.7 Related business papers, procedures and arithmetic — stock certificates, bonds, certificate of incorporation, stock record, bond record, minute book	Show the difference between a share of stock and a bond.

*10 Taxes (for payroll taxes see topic 1)	Entries for each type of taxes should be taught. Use special columns in the journals for recording taxes, if entries occur frequently. See page 41 for explanation of starred (*) items.
10.1 Federal excise — limited to admission, and luxury taxes 10.2 Sales and other local taxes — where applicable 10.3 Related business papers, procedures and arithmetic — Government tax blanks 10.4 Personal income taxes for incomes derived from salaries and wages 10.41 Federal 10.42 State	Secure various tax forms for discussion and bulletin board display. Teach who should file a return, why it should be filed, what form to use, and how to prepare it.
11 Bookkeeping Systems 11.1 Multicolumnar purchases journal 11.11 Departmental breakdown 11.12 Voucher register (*optional*) 11.2 Purchases returns journal (*optional*) 11.21 Columnar purchases returns journal with departmental breakdown (*optional*) 11.3 Multicolumnar sales journal with departmental breakdown	

CONTENT	TEACHING SUGGESTIONS
11.4 Sales returns journal (*optional*)	
11.41 Columnar sales returns journal with departmental breakdown (*optional*)	
11.5 Multicolumnar cash receipts journal	Expand this journal to include many additional columns.
11.6 Multicolumnar cash payments journal	Expand this journal to include many additional columns.
11.7 Multicolumnar petty cash records	
11.8 Multicolumnar general journal	
*11.9 Systems designed for small businesses	Pupils should be acquainted with the types of systems designed for businesses and professions in which the proprietor or a part-time bookkeeper keeps the records. This may be done by the use of bulletin board displays, teacher demonstrations or other graphic means. See page 41 for explanation of starred (*) items. In this connection, a series of Small Business Manuals has been issued by the United States Department of Commerce. They are available from the Superintendent of Documents. See page 13, Governmental Information.
11.10 Entries requiring double posting	Pupils should be taught that when there are insufficient columns in a journal the entry should be so made that posting will be made to the control account and the subsidiary ledger.

To enrich the teaching of all the topics in this outline, the special journals listed under item 11 should be used. Include the records for professional and service businesses, as well as for small and large trading businesses.

Practice sets, with business papers prepared by the teacher and duplicated or purchased, should integrate as many of the topics in the syllabus as possible.

Pupils should be encouraged to obtain out-of-school related work experience.

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